

**MINUTES OF THE HIGHLANDS & ISLANDS AIRPORTS LTD (“HIAL”) BOARD HELD
AT BENBECULA AIRPORT ON 3rd JULY 2018 AT 12:30**

Present	Ms Lorna Jack Mr Inglis Lyon Mr Jim McLaughlin Mr Tim Whittome Mr David Savile	Chair Managing Director Non-Executive Director Non-Executive Director Non-Executive Director
In Attendance	Mr Mark Stuart Mr Robin MacRae Mr Gary Cox Mrs Shelly Donaldson Mr David Martin	Director of Airport Operations Director of Ops Support, HIAL Transport Scotland PA HIAL (Minutes) Dundee City Council

The Board meeting commenced at 13:00.

Apologies

Ms Gillian Bruton, Finance Director

Declarations of Interest

Ms Jack informed the board that items 1 & 2 were papers for reminder only and asked if there were any conflicts of interest within the board agenda, there were not.

Mr McLaughlin questioned the issue of confidentiality regarding using non HIAL email addresses and it was decided to seek advice from the Head of ICT and HIAL’s Data protection advisor.

(Redacted under FOISA Section 33 (1)b)

Matters Arising

Ms Jack asked the board if they had anything to note or update in terms of the matters arising these were noted with some items carried over to September’s Board meeting in Dundee.

Chair’s Report

Ms Jack updated the Board on the Chair’s recent activities within the DAL Board meeting.

Ministerial Team

Ms Jack noted the recent change of ministerial team, welcoming the New Cabinet Secretary for Transport, Infrastructure and connectivity, Mr Michael Matheson and The Minister for Energy Connectivity and the Islands, Mr Paul Wheelhouse. She also wished the previous Minister for Transport, Mr Humza Yousaf well in his new post. She informed the board that she had sent letters of congratulations to the same and had also invited the new Cabinet Secretary and the Minister to the next Board meeting in September.

Mr Martin confirmed that the new Cabinet Secretary's brief also extends to city deals and that the Tay City deal is to conclude at end of July. He noted that previous ministerial commitments stand and that Transport has gone up to cabinet level, Islands remains with the Minister.

Ms Jack updated the board that Frances Pacitti will be taking over Mr Nicholls' role at Transport Scotland as Director of Aviation, Maritime, Freight and Canals and will be in post 9th July. Mr Cox informed the board that he and Ms Pacitti will share the responsibility for HIAL and he hopes that Ms Pacitti is able to attend a HIAL board meeting soon. Ms Jack and Mr Lyon will meet with both Ms Pacitti and Mr Nicholls on the 11th.

Strategy Update

Mr McLaughlin wished to note that it had been arranged for the previous Minister for Transport to launch the HIAL Strategy and suggested that a meeting needs to be arranged with the new Cabinet Secretary to discuss this once he is back from annual leave in August.

(Redacted under FOISA Section 33 (1)b)

Mr Lyon suggested continuing with the consultation before Ministerial involvement, this was agreed by the board.

Loganair

Ms Jack confirmed that she had met with Stephen Bond and noted a positive meeting.

(Redacted under FOISA Section 33 (1)b)

Mr Bond suggested catching-up with HIAL every 6 months.

(Redacted under FOISA Section 33 (1)b)

Shetland

Ms Jack and Mr Lyon went to Shetland on the 20th of June to meet with the council. Ms Jack informed that it was a very positive meeting with many items discussed including their strategy for addressing island de-population. Car parking was high on the agenda and Ms Jack explained the reasoning behind this decision to the council, with them showing understanding of the challenge HIAL faced. The council are likely to ask the government for more support for HIAL.

Ms Jack confirmed that car parking implementation at Sumburgh has been pushed back until mid Aug due to work being done on planning and designs.

ATMS

Ms Jack informed the board that whilst on Shetland, she had met with Air Traffic Control staff and that the same issues are being raised across the board.

(Redacted under FOISA Section 33 (1)b)

Ms Jack also advised that she had met with staff from all areas in Security that were in that day.

Ms Jack wished to note that new Airport Manager at Sumburgh is doing a great job.

(Redacted under FOISA Section 33 (1)b)

Chair recruitment

Mr Cox confirmed that the public bodies unit wanted the process to be chaired by the same person from start to finish which had impacted the timescale. All paperwork has now been signed off and panel members are now looking at dates for interviews.

The Board noted the update.

Managing Director's Report

Mr Lyon updated the Board on the Managing Director's recent activities within the DAL Board meeting.

Mr Lyon confirmed that car parking charges went into effect on the 2nd July at Stornoway and Kirkwall and the charges will be implemented at Sumburgh once work is completed on the new designs.

Mr Lyon advised that he had been in discussions with various authorities.

(Redacted under FOISA Section 33 (1)b)

Mr Lyon updated that a little progress had been made at the finance meeting in Edinburgh the previous week.

Mr Lyon reported on the Scottish Governments plan to introduce RET between the mainland and the Northern islands. **(Redacted under FOISA Section 33 (1)b)**

The Board noted the update.

Strategy Report

Ms Jack covered this in the Chair's report and it was noted by the Board.

ITEMS FOR NOTE BY THE BOARD

FINANCE

Item 3 – HIAL Monthly Accounts Summary

Mr Lyon noted a number of positives but confirmed that it was far too early within the budget year to discuss final out-turns (**Redacted under FOISA Section 33 (1)b**)

There were no questions and the Board noted the update.

Item 4 – AMSL Monthly Accounts Summary

Mr Lyon again noted that it was too early.

There were no questions and the Board noted the update.

Item 5 – HIAL Group Delegated Authorities register

Mr Lyon confirmed to the Board that the previous Financial Controller had been removed from the HIAL Group Delegated Authorities register and that the new Financial Controller has now taken over the position. Recruitment is ongoing for HIAL's Planning and Analysis Manager and the Assistant Finance Manager's maternity cover.

The Board approved the changes to the delegated authorities register.

OPERATIONS

Item 6 – Airports General overview

Mr Whittome asked for an update in terms of the X-ray machines. Mr Stuart informed that the 'Standard 3' machines are significantly larger than the current 'Standard 2' machines, therefore modifications or additional infrastructure is required for installation. Introduction of the 'Standard 3' machines is in the capital plan and the business case for Inverness will be presented this September. HIAL will apply to the DFT for an extension until March 2020 and Board approval is required for these machines. Ms Jack asked when the board would see the feasibility study and business case. Mr Stuart informed that the feasibility study for Inverness is complete and that the business case will come to the board in Sept for Inverness and, dependent upon completion of the feasibility study, for Sumburgh.

Mr Stuart updated that the Airport Manager at Sumburgh is close to finding a replacement for the Airport Services Manager.

(Redacted under FOISA Section 33 (1)b)

The Board noted the update.

Item 7 – Customer Experience report

There were no comments or questions on this paper and the Board noted the update.

Item 8a-d – Risk management

Mr MacRae wished to note discussions had at the last CROG regarding the accuracy of the capital plan and how issues would be handled going forward. Mr Lyon confirmed a change to how the plan and associated expenditure would be managed. In Dec/Jan, HIAL would look at the capital plan to review projects which can be achieved. These would be decided upon based on the risk to the business. **(Redacted under FOISA Section 33 (1)b)**

Ms Jack reminded that the Board needed to be more engaged on what the large scale capital issues are in year.

Mr MacRae updated on ATCO training. **(Redacted under FOISA Section 33 (1)b)**

He confirmed that HIAL had gained traction with CAA on this and they have recognised this is an issue **(Redacted under FOISA Section 33 (1)b)**.

Mr Stuart updated the Board with regard to the Performance Based Regulation Industry Group (PBRIG) and that following an internal restructure the CAA have refreshed the team to work with industry on the implementation of Performance Based Oversight.

(Redacted under FOISA Section 33 (1)b)

The Board noted the update.

Item 9 – AMSL Security

(Redacted under FOISA Section 33 (1)b)

The Board noted the update.

Item 10 – Operations Summary

(Redacted under FOISA Section 33 (1)b)

Mr Stuart facilitated a meeting with Loganair Operations and Kirkwall ATS on 4 June.

(Redacted under FOISA Section 33 (1)b)

The Board noted the update.

Item 11 – Operations, Infrastructure and Procurement

Mr MacRae advised that as part of the budget efficiency measures to contribute towards closing the 18/19 revenue budget gap, a target was set to reduce the 18/19 infrastructure services revenue spend **(Redacted under FOISA Section 33 (1)b)**. The gap in the revenue budget is now closing and an increased inspection regime will be introduced.

Mr MacRae confirmed that the annual procurement report is ready to go to the Scottish Government. **(Redacted under FOISA Section 33 (1)b)**

The Board noted the update and are comfortable with recommendations **(Redacted under FOISA Section 33 (1)b)**

HR

Item 12 – HPS Update

Mr Lyon wished to note that the draft agreement regarding **(Redacted under FOISA Section 33 (1)b)** Inverness airport has been received and AON are reviewing it on behalf of HIAL. Mr Lyon has passed on his comments and has sought an extension of the temporary agreement from the trustees, which they have agreed. The aim is for this to be agreed by end of July.

The Board noted the update.

Item 13 – HIAL Pay Policy Remit (Verbal update)

Mr Lyon advised that this has now been approved and is aiming to discuss it with the Union representative to implement as soon as possible.

The Board noted the update.

ICT

Item 14 – ICT Update

Ms Jack wished to note that there were good efficiencies in terms of the projects the new Head of ICT is progressing.

There were no questions from the Board and the update was noted.

COMMERCIAL

Item 15 – Commercial Report

Mr Lyon updated on progress of British Airways operating out of Inverness, **(Redacted under FOISA Section 33 (1)b)**

Ms Jack wished to stress that is if the board were needed for consultation before the next board that this should be done via conference call.

(Redacted under FOISA Section 33 (1)b)

Ms Jack wished to note great work on oil and gas and the board noted the updates.

IABP

Item 16 – IABP Update

Mr Lyon updated that IABP have made good progress in terms of the hotel site **(Redacted under FOISA Section 33 (1)b)** the successful developer for the site, is keen to get the planning application in within the next two weeks which will generate a press release and a lot of interest around this.

The board noted the updates.

ITEMS FOR BOARD APPROVAL

OPERATIONS

Item 17 – HIAL Fire Rescue Craft provision

Mr MacRae reminded the board of the decision in principal taken in April 2016

(Redacted under FOISA Section 33 (1)b).

It was noted that there has only been 1 incident in 30 years where a HIAL FRC has responded to an aircraft accident at sea and this was at Sumburgh in 2013. This response resulted in 2 staff members being injured due to the sea conditions.

The Board were asked to approve the proposal

(Redacted under FOISA Section 33 (1)b)

Mr Martin left the meeting.

Items for Board Discussion

ATM

Item 18 – Remote Tower & Centralised Surveillance Centre Location

Mr Whittome (**Redacted under FOISA Section 33 (1)b**) felt it was a very good report.

(Redacted under FOISA Section 33 (1)b)

The board wished to note that EKOS consulted with staff and that those who participated showed preference for Inverness. The board confirmed that this was material in the recommendation.

Ms Jack raised the question of undertaking an Islands impact assessment using the information in the report. This was agreed.

BOARD DECISION:

1. The Board accepted the EKOS report
2. The Board decided in principle to go with the recommendation of Inverness as the location for the centre but to do an Islands impact assessment specifically for the islands locations, which would be shared with Island colleagues

(Redacted under FOISA Section 33 (1)b)

Item 19 – Remote Tower & Surveillance Centre Project

(Redacted under FOISA Section 33 (1)b)

The board noted that more work needs to be done in terms of phasing and Mr Lyon suggested that HIAL reconsider in September once the decision on the location had been announced and digested.

BOARD DECISION: Once the project board is assembled and functioning HIAL will revisit the phasing.

(Redacted under FOISA Section 33 (1)b)

AOB

There was nothing to add.

Date of Next Meeting – Tues 4th Sept – Dundee Venue TBC
